

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00  
INRE-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03  
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 /052 W  
-----181848Z 115937 /43

O P 171806Z MAR 76  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC IMMEDIATE 1732  
INFO AMEMBASSY BONN PRIORITY  
AMEMBASSY BRUSSELS PRIORITY  
AMEMBASSY COPENHAGEN PRIORITY  
AMEMBASSY DUBLIN PRIORITY  
AMEMBASSY THE HAGUE PRIORITY  
AMEMBASSY LUXEMBOURG PRIORITY  
AMEMBASSY PARIS PRIORITY  
AMEMBASSY ROME PRIORITY  
USMISSION EC BRUSSELS PRIORITY  
USMISSION NATO BRUSSELS PRIORITY  
USMISSION OECD PARIS PRIORITY  
AMCONSUL BELFAST  
AMCONSUL EDINBURGH

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E.O. 11652: N/A  
TAGS: PGOV, PINT, UK  
SUBJECT: GOVERNMENT TO FACE CONFIDENCE TEST

REF: LONDON 4482

SUMMARY. PUBLIC EXPENDITURE DEBATE DID NOT PLAY OUT THE WAY THE GOVERNMENT HAD ANTICIPATED (REFTEL). AS A RESULT, IT WILL FACE A CONSERVATIVE-SPONSORED CENSURE MOTION ON MARCH 23. THE CENTRAL QUESTION IS WHETHER THE GOVERNMENT, BY ITS USE OF SHARP PROCEDURAL PRACTICES AND

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EVASION, HAS CREATED AN ISSUE AROUND WHICH ALL OPPOSITION PARTIES CAN COALESCE TO DEFEAT THE GOVERNMENT. THE OUT-LOOK AT THE MOMENT IS UNCERTAIN, BUT OUR PRELIMINARY SOUNDINGS INDICATE THAT WHILE THE OUTCOME WILL BE CLOSE, THE GOVERNMENT WILL PREVAIL, BUT MAY HAVE TO DO A DEAL WITH THE LIBERALS OR THE ULSTER UNIONISTS. END SUMMARY.

1. THE GOVERNMENT'S STRATEGY TO AVOID A SUBSTANTIVE VOTE ON THE PUBLIC SPENDING WHITE PAPER (REFTEL) BEGAN TO UNRAVEL YESTERDAY AFTERNOON (MARCH 17). PRIME MINISTER CALLAGHAN, AFTER CONSULTATIONS WITH CHIEF WHIP MICHAEL COCKS, DECIDED TO TRY TO AVOID A DIVISION ON THE ADJOURNMENT MOTION AND THE CONCOMITANT POLITICAL EMBARRASSMENT OF A LOSS, AS HEAD COUNTS INDICATED THE OPPOSITION WOULD PROBABLY PREVAIL. WITH LUCK, HE HOPED THE COMMONS WOULD ADJOURN WITHOUT A FORMAL VOTE. IN THE EVENT, HOWEVER, THE SCOTTISH NATIONAL PARTY (SNP) DEMANDED A FORMAL DIVISION AND PROVIDED THE TELLERS FOR THE "NO" (GOVERNMENT) LOBBY. THE OUTCOME WAS AN UNCONTESTED OPPOSITION VICTORY: 293 TO 0 FOR ADJOURNMENT.

2. MRS. THATCHER IMMEDIATELY CONDEMNED THE GOVERNMENT'S PERFORMANCE -- "NO GOVERNMENT HAS EVER SUNK SO LOW IN REFUSING TO PUT ITS POLICIES TO THE COMMONS IN A MATTER SO CENTRAL TO THE FUNCTION AND PUROOSE OF PARLIAMENT" -- BUT DID NOT IMMEDIATELY GO FOR THE JUGULAR. INSTEAD OF PUTTING DOWN A CENSURE (NO CONFIDENCE) MOTION, SHE DEMANDED THAT CALLAGHAN BRING FORWARD A CONFIDENCE MOTION EARLY NEXT WEEK. HE RESPONDED QUICKLY AND PREDICTABLY, ADVISING THE OPPOSITION LEADER THAT IF SHE WANTED TO PROVOKE A CONFIDENCE CRISIS. SHE WOULD HAVE TO PUT DOWN HER OWN MOTION. SHE COMPLIED THE FOLLOWING MORNING, AND THE LEADER OF THE HOUSE MICHAEL FOOT SCHEDULED THE DEBATE FOR MARCH 23. THE SCOTTISH AND WELSH NATIONALISTS HAD EARLIER TABLED A CENSURE MOTION, BUT NOW THAT THE TORIES HAVE ACTED THERE IS NO CHANCE

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THEIR MOTION WILL BE CALLED.

3. OUR LABOR PARTY SOURCES, ON BOTH THE LEFT AND RIGHT OF THE PARTY, AGREE THAT THE CRISIS IS LARGELY THE RESULT OF A TACTICAL BLUNDER, SPECIFICALLY THE DECISION TO AVOID A VOTE ON THE ADJOURNMENT MOTION. THE DECISION TO GO FOR A VOTE ON AN ADJOURNMENT RATHER THAN A "TAKE NOTE" MOTION, THEY SUGGEST, WAS LEGITIMATE, THOUGH CLOSE TO THE LIMITS OF WHAT IS ACCEPTABLE TO COMMONS. THE SUBSEQUENT DECISION TO TRY TO AVOID EVEN THAT PROCEDURAL TEST EXCEEDED THOSE LIMITS, SPOTLIGHTING THE GOVERNMENT'S VULNERABILITY. IT WOULD HAVE BEEN FAR BETTER, THEY SAY, TO HAVE TAKEN THE LOSS AND REFUSED TO BE DRAWN INTO THE CONFIDENCE ARGUMENT (A JUDGEMENT, INCIDENTALLY, IN WHICH FORMER CHIEF WHIP BOB MELLISH CONCURS). THESE CRITICS BELIEVE THE CONSERVATIVES PROBABLY WOULD HAVE BEEN SATISIFED WITH HAVING HUMILIATED THE GOVERNMENT AND, HAD THEY TABLED A CENSURE MOTION, BEEN UNABLE TO GAIN THE

SUPPORT OF ALL THE OPPOSITION PARTIES. BECAUSE OF RESENTMENT OVER LAST NIGHT'S PROCEEDINGS, THERE IS NOW A POSSIBILITY THAT ALL THE OPPOSITION PARTIES WILL JOIN WITH THE TORIES, UNLESS THE GOVERNMENT IS ABLE TO WORK OUT SOME KIND OF BARGAIN WITH THE LIBERALS OR THE ULSTER UNIONISTS. NEVERTHELESS, LABOR BACKBENCHERS WITH WHOM WE HAVE SPOKEN ARE OPTIMISTIC THAT "JIM WILL FIX IT" ONE

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WAY OR ANOTHER.

4. CONSERVATIVE SOURCES, AT THIS TIME, DO NOT BELIEVE THEIR MOTION WILL SUCCEED, BUT THINK THE RESULT WILL BE VERY CLOSE INDEED. THEY TOO PERCEIVE THE LIBERALS AND

THE ULSTER UNIONISTS AS THE WEAK SPOTS. THE LIBERALS,  
THEY SUGGEST, ARE DIVIDED, AND LOOKING FOR A DEAL. THE  
UNIONISTS ARE FRAGMENTED INTO THREE GROUPS, ONE INFLU-  
ENCED BY ENOCH POWELL, WHO WILL DO NOTHING TO HELP MRS.  
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THATCHER, ANOTHER INFLUENCED BY IAN PAISLEY WHICH WILL  
PROBABLY SUPPORT THE TORIES, AND A THIRD INFLUENCED BY  
WILLIAM CRAIG, WHO WISHES TO AVOID A GENERAL ELECTION.

5. COMMENT. THUS FAR, OUR GUESS IS THAT THE CENSURE  
MOTION WILL FALL SHORT BY A NARROW MARGIN. LABDROKES,  
ONE OF BRITAIN'S LEADING BOOKMAKERS, IS QUOTING 4 TO 5  
ON A CONSERVATIVE VICTORY, BUT THOSE ARE OPENING ODDS.  
THERE IS LITTLE DOUBT, HOWEVER, THAT THE CRISIS, WHILE  
SYMPTOMATIC OF THE GOVERNMENT'S CURRENT WEAKNESS,  
WAS MADE WORSE BY ITS MISHANDLING OF LAST NIGHT'S VOTE.  
THE LIBERALS' BARGAINING PRICE, WE WOULD GUESS, IS  
LIKELY TO BE A BIT STEEP AT THE MOMENT, SINCE THE  
GOVERNMENT IS SO OBVIOUSLY IN NEED OF HELP. WE WOULD  
EXPECT, THEREFORE, THAT IT WILL FIRST TRY ITS HAND WITH  
THE POWELL AND CRAIG FACTIONS IN THE UNIONIST COALITION,  
AND THEIR SUPPORT SHOULD BE SUFFICIENT TO HOLD OFF THE  
TORIES (THE UNCERTAINTY HERE IS DUE TO THE UNKNOWN  
NUMBER OF MPS ON BOTH SIDES OF THE HOUSE WHO ARE  
HOSPITALIZED OR OTHERWISE UNAVAILABLE -- LABOR, WHICH  
HAD ANOTHER RELATIVELY YOUNG BACKBENCHER STRICKEN YESTER-  
DAY, IS BELIEVED TO BE IN WORSE SHAPE THAN THE TORIES IN  
THIS REGARD).

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** n/a  
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**Expiration:**  
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**Previous Handling Restrictions:** n/a  
**Reference:** 77 LONDON 4482  
**Retention:** 0  
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**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Secure:** OPEN  
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**TAGS:** PGOV, PINT, UK  
**To:** STATE INFO BELFAST MULTIPLE  
**Type:** TE  
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/631728ad-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009